

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 99-0611P

**Gross Income Tax
Calendar Year 1997**

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, incorporated in Minnesota filed form IT-20 for calendar year 1997 in September 1998 and was assessed a penalty for paying tax on that date.

Taxpayer requests that the department waive the late payment penalty.

I. **Tax Administration** – Penalty

DISCUSSION

Taxpayer was assessed a ten percent (10%) penalty because it paid the balance of its tax due after the due date of the return.

Taxpayer, in a letter dated September 23, 1999 protested penalties and interest assessed and states it filed IT-2220 that indicates no penalty is appropriate and asks that the department review the file again and abate the penalty and interest indicated on the AR-80 billing.

An extension to file is not an extension for the payment of tax. Taxpayer's correspondence indicates that the department assessed a penalty for the underpayment of corporate taxes. However, the

department assessed a penalty for the late payment of tax. IC 6-8.1-10-2.1(a)(2) clearly assesses a penalty if a person fails to pay the full amount of tax shown on the person's return on or before the due date for the return. (The due date of the return is April 15). The tax was not paid until September. IC 6-8.1-6-1(a) clearly states that at least ninety percent (90%) of the tax that is reasonably expected to be due on the due date must be filed with the petition for a sixty-day (60) extension. The IT-2220 is not the issue in this case but the late payment of tax is the issue.

FINDING

Taxpayer's protest is denied.